

COMMONWEALTH OF KENTUCKY
GROUP LIFE INSURANCE TERMS AND CONDITIONS

Below are the Terms and Conditions for member participation in life insurance benefits, administered by the Department of Employee Insurance (DEI) and Nationwide Life Insurance Company. By typing your name on an electronic application or by logging in and using your unique KHRIS User ID and enrolling through the Employee Self-Service portal, you are agreeing to conduct enrollment in the Commonwealth's life insurance benefits by electronic means, thereby creating a legal and binding contract. By affixing your signature in either manner or by completing and signing a paper application, you understand and agree that:

- A. **ELIGIBILITY.** State employees, elected officials, and employees of health departments, school boards, and quasi-governmental agencies who are regularly employed and who are contributing members to any one of the state-administered retirement systems may be eligible for basic life insurance and accidental death and dismemberment insurance of \$20,000 free of charge. Federally-funded, time-limited employees may also receive basic life insurance coverage. All persons eligible for life insurance benefits are referred to in these Terms and Conditions as "Employees" or "Eligible Employees." By enrolling in life insurance coverage, whether basic or additional optional coverage, you certify that you are an Eligible Employee of a participating employer or otherwise meet the eligibility requirements for applying for life insurance.
- B. **ADDITIONAL OPTIONAL LIFE INSURANCE BENEFITS.** The Commonwealth of Kentucky offers additional optional life insurance coverage for Eligible Employees and their qualified dependents (spouse and children). Evidence of insurability may be required depending on the amount of option life insurance you choose. Refer to the Certificate of Coverage for additional information.
- C. **SALARY INCREASES AND DECREASES.** If you receive a pay increase after you enroll in Optional Life Insurance Plan 1x or 2x your annual salary, your plan coverage amount will automatically adjust to correspond with your salary increase. Your insurance premium will automatically adjust to correspond with your increase in coverage as well. If you are a Commonwealth-paid employee, this increase will occur automatically in the Kentucky Human Resources Information System (KHRIS) upon the effective date of your new salary. For Board of Education employees with salary based plans, the new contract year salary will be effective 11/1 of each year. For Health Department and Quasi agency employees with salary based plans, please verify that your HR Administrator is maintaining and updating your current salary for life insurance purposes.
- D. **EFFECTIVE DATE OF ELECTIONS.** If you are a new Employee, you must enroll in life insurance for the first time within 35 days of hire. Your life insurance will be effective on the first day of the second calendar month following the date you become an eligible Employee.
- E. **CERTIFICATE OF COVERAGE.** The rules regarding the administration of life insurance benefits for Eligible Employees are governed by a Certificate of Coverage (CoC). The CoC is available online at personnel.ky.gov, "Benefits." The benefits listed in the CoC are insured under a group life insurance contract issued to the Commonwealth of Kentucky and administered by Nationwide Life Insurance Company.
- F. **SUMMARY OF COVERAGE.** If life insurance coverage is issued, you will be provided a Summary of Coverage showing the effective date of the insurance. The Benefits Confirmation Page contains the effective date, type of coverage, amount of coverage, cost, and beneficiary designation(s). No insurance is in effect prior to your individual effective date, and such effective date is applicable only if on that date the Employee: (a) is eligible for the coverage; (b) has satisfied any waiting period required; and (c) the first premium for the coverage is paid when due. Your Summary of Coverage and Benefits Confirmation Page is incorporated into and made a part of the CoC.
- G. **CASH VALUE.** Your life insurance policy is term life insurance and has no cash value.
- H. **DEPENDENT ELIGIBILITY.** Eligible Employees may obtain dependent life insurance coverage for their spouse to whom they legally married and for their unmarried children from live birth to 18 years of age. Some exceptions apply for unmarried children over the age of 18. See the CoC for additional information.
- I. **ACTIVE WORK REQUIREMENT.** Life insurance benefits for Eligible Employees will be delayed if the Employee does not meet the Active Work Requirement on the day the Employee's insurance would otherwise begin. The Active Work Requirement is a requirement that you be actively at work full time at the employer's place of business, or at any other place that the Employer's business requires you to go. You are considered actively at work during normal vacation if you were Actively at Work on your last regular scheduled workday. See your CoC for additional information regarding the Active Work Requirement.
- J. **CHANGING ELECTIONS.** If you experience a life-changing event such as the birth of a new child, divorce, or marriage, you may adjust your dependent life insurance to reflect your current status and make beneficiary changes. Evidence of insurability may be required. Adjustments to your life insurance coverage can also be made during a life insurance open enrollment period.
- K. **DEDUCTION FROM EARNINGS.** Enrollment in additional optional life insurance for you or your dependents is voluntary. When you enroll, you authorize your employer to deduct from your earnings the amount required to cover your life insurance premiums for you and your dependents, including any arrears you may owe.
- L. **PRIORITY OF PAYMENTS.** Any premium payment submitted that you intend to be used to pay for your life insurance coverage may first be used to pay other priority debts that may be due and owing such as taxes and child support.
- M. **FRAUD WARNING.** Any person who knowingly, and with the intent to defraud, files an application for insurance containing any materially false information (including a forged signature or incorrect signature date), or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act which is a crime. You can be held responsible for any fraudulent act that you could have prevented while acting within your duties related to obtaining employer-sponsored life insurance coverage, and it may be used to reduce or deny a claim or to terminate your coverage.
- N. **ACKNOWLEDGEMENT.** You have fully read the material regarding life insurance benefits provided to you. All information contained in your life insurance benefit elections are true and complete to the best of your knowledge and belief and will be relied upon to determine insurability. Information contained in your life insurance benefit elections, if incorrect or misleading, may void the policy effective as of the date of issuance.
- O. **EXCEPTIONS MAY APPLY.** Exceptions may apply to employees of certain employers participating in the Commonwealth's life insurance benefits. Please refer to the participation rules of your employer for further information.